

Bill No. CS for CS for SB 1566, 1st Eng.

Amendment No. ____ (for drafter's use only)

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

Representative(s) Roberts, Logan, Eggelletion, Chestnut,
Wilson, Hill, Reddick, Greene, and Lawson offered the
following:

Amendment to Amendment (553475)

Beginning on page 73, line 15, through page 77, line
11,
remove from the amendment: all of said lines

and insert in lieu thereof:

(18) Take, hold and improve property including real
property.

Section 26. Subsections (2), (3), (6), and (11) of
section 288.99, Florida Statutes, 1998 Supplement, are amended
to read:

288.99 Certified Capital Company Act.--

(2) PURPOSE.--The primary purpose of this act is to
stimulate a substantial increase in venture capital
investments in this state by providing an incentive for
insurance companies to invest in certified capital companies
in this state which, in turn, will make investments in new

1 businesses or in expanding businesses, including
2 minority-owned or minority-operated businesses and businesses
3 located in a designated Front Porch community, enterprise
4 zone, urban high-crime area, rural job tax credit county, or
5 nationally recognized historic district. The increase in
6 investment capital flowing into new or expanding businesses is
7 intended to contribute to employment growth, create jobs which
8 exceed the average wage for the county in which the jobs are
9 created, and expand or diversify the economic base of this
10 state.

11 (3) DEFINITIONS.--As used in this section, the term:

12 (a) "Affiliate of an insurance company" means:

13 1. Any person directly or indirectly beneficially
14 owning, whether through rights, options, convertible
15 interests, or otherwise, controlling, or holding power to vote
16 10 percent or more of the outstanding voting securities or
17 other ownership interests of the insurance company;

18 2. Any person 10 percent or more of whose outstanding
19 voting securities or other ownership interest is directly or
20 indirectly beneficially owned, whether through rights,
21 options, convertible interests, or otherwise, controlled, or
22 held with power to vote by the insurance company;

23 3. Any person directly or indirectly controlling,
24 controlled by, or under common control with the insurance
25 company;

26 4. A partnership in which the insurance company is a
27 general partner; or

28 5. Any person who is a principal, director, employee,
29 or agent of the insurance company or an immediate family
30 member of the principal, director, employee, or agent.

31 (b) "Certified capital" means an investment of cash by

1 a certified investor in a certified capital company which
2 fully funds the purchase price of either or both its equity
3 interest in the certified capital company or a qualified debt
4 instrument issued by the certified capital company.

5 (c) "Certified capital company" means a corporation,
6 partnership, or limited liability company which:

7 1. Is certified by the department in accordance with
8 this act.

9 2. Receives investments of certified capital.

10 3. Makes qualified investments as its primary
11 activity.

12 (d) "Certified investor" means any insurance company
13 subject to premium tax liability pursuant to s. 624.509 that
14 contributes certified capital.

15 (e) "Department" means the Department of Banking and
16 Finance.

17 (f) "Director" means the director of the Office of
18 Tourism, Trade, and Economic Development.

19 (g) "Early stage technology business" means a
20 qualified business that is involved, at the time of the
21 certified capital company's initial investment in such
22 business, in activities related to developing initial product
23 or service offerings, such as prototype development or the
24 establishment of initial production or service processes. The
25 term includes a qualified business that is less than 2 years
26 old and has, together with its affiliates, less than \$3
27 million in annual revenues for the fiscal year immediately
28 preceding the initial investment by the certified capital
29 company on a consolidated basis, as determined in accordance
30 with generally accepted accounting principles. The term also
31 includes the Florida Black Business Investment Board, any

1 entity majority owned by the Florida Black Business Investment
2 Board, or any entity in which the Florida Black Business
3 Investment Board holds a majority voting interest on the board
4 of directors.

5 (h) "Office" means the Office of Tourism, Trade, and
6 Economic Development.

7 (i) "Premium tax liability" means any liability
8 incurred by an insurance company under the provisions of s.
9 624.509.

10 (j) "Principal" means an executive officer of a
11 corporation, partner of a partnership, manager of a limited
12 liability company, or any other person with equivalent
13 executive functions.

14 (k) "Qualified business" means a business that meets
15 the following conditions:

16 1. The business is headquartered in this state and its
17 principal business operations are located in this state.

18 2. At the time a certified capital company makes an
19 initial investment in a business, the business is a small
20 business concern as defined in 13 C.F.R. s. 121.201, "Size
21 Standards Used to Define Small Business Concerns" of the
22 United States Small Business Administration which is involved
23 in manufacturing, processing or assembling products,
24 conducting research and development, or providing services.

25 3. At the time a certified capital company makes an
26 initial investment in a business, the business certifies in an
27 affidavit that:

28 a. The business is unable to obtain conventional
29 financing, which means that the business has failed in an
30 attempt to obtain funding for a loan from a bank or other
31 commercial lender or that the business cannot reasonably be

1 expected to qualify for such financing under the standards of
2 commercial lending;

3 b. The business plan for the business projects that
4 the business is reasonably expected to achieve in excess of
5 \$25 million in sales revenue within 5 years after the initial
6 investment, or the business is located in a designated Front
7 Porch community, enterprise zone, urban high crime area, rural
8 job tax credit county, or nationally recognized historic
9 district;

10 c. The business will maintain its headquarters in this
11 state for the next 10 years and any new manufacturing facility
12 financed by a qualified investment will remain in this state
13 for the next 10 years, or the business is located in a
14 designated Front Porch community, enterprise zone, urban high
15 crime area, rural job tax credit county, or nationally
16 recognized historic district; and

17 d. The business has fewer than 200 employees and at
18 least 75 percent of the employees are employed in this state.
19 For purposes of this subsection, the term "Qualified Business"
20 also includes the Florida Black Business Investment Board, any
21 entity majority owned by the Florida Black Business Investment
22 Board, or any entity in which the Florida black Business
23 Investment Board holds a majority voting interest on the board
24 of directors.

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26 A business predominantly engaged in retail sales, real estate
27 development, insurance, banking, lending, oil and gas
28 exploration, or engaged in professional services provided by
29 accountants, lawyers, or physicians does not constitute a
30 qualified business.

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